

Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 PM-04 NSC-05 SP-02 SS-15 H-01

CIAE-00 DODE-00 INR-07 NSAE-00 PA-01 USIA-06

PRS-01 ACDA-07 AID-05 OMB-01 EB-07 STR-04 COME-00

TRSE-00 EUR-12 AGRE-00 INT-05 DLOS-09 IGA-02 /104 W

-----041221Z 125419 /53

R 040759Z MAY 77

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 7451

AMEMBASSY MANILA

INFO AMEMBASSY BANGKOK

AMEMBASSY CANBERRA

AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY SINGAPORE

EMBASSY WELLINGTON 1162

C O N F I D E N T I A L TOKYO 6501

E.O. 11652: GDS

TAGS: EGEN, JA, RP

SUBJECT: MARCOS STATE VISIT: JAPAN-ROP ECONOMIC RELATIONSHIP

REF: TOKYO 6321

SUMMARY: IN TALKS WITH JAPANESE PM FUKUDA DURING TOKYO STATE VISIT, PHILIPPINE PRESIDENT MARCOS STRAYED BRIEFLY FROM POLITICAL MATTERS TO PLUMP FOR JAPANESE HELP IN LAUNCHING MAJOR INDUSTRIAL PROJECTS AND IN REDUCING TRADE IMBALANCE. MAIN ECONOMIC ACTION DURING VISIT, HOWEVER, WAS PROLONGED ARGUMENT BETWEEN COMMUNIQUE DRAFTERS OVER PHILIPPINES' EFFORT TO ACHIEVE INCLUSION GO LANGUAGE COMMITTING JAPAN TO ARRANGE ASSURED ACCESS AND LONG-TERM SUPPLY ARRANGEMENTS FOR PHILIPPINE PRODUCTS AND UNDERWRITE INDUSTRIAL PROJECTS. JAPANESE, WELL-AWARE THAT TOO MUCH NIEO-TYPE LANGUAGE IN COMMUNIQUE WOULD PREJUDICE THEIR POSITIONS
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ON BILATERAL COMMERCIAL TREATY NOW UNDER NEGOTIATION, RESISTED STOUTLY AND SUCCESSFULLY. END SUMMARY.

1. ACCORDING TO FONOFF 2ND SOUTHEAST ASIA DIVDIR SAKUTARO TANINO, VISITING PHILIPPINE PRESIDENT MARCOS SELF-CONSCIOUSLY SOUGHT IN MEETING WITH PM FUKUDA APRIL 26 AND 27 TO PROJECT IMAGE OF STATESMAN, RATHER

THAN THAT OF MENDICANT OR HUCKSTER. IN CONSEQUENCE, HIS OCCASIONAL REFERENCES TO ECONOMIC MATTERS WERE LIGHT, AND QUICKLY FOLLOWED BY PROPOSAL THAT THEY BE DEALT WITH IN DETAIL BY MINISTERS IN HIS SUITE AND THEIR COUNTERPARTS.

2. NONETHELESS, IN TETE-A-TETE WITH FUKUDA, MARCOS, SECONDED BY IMELDA, URGED JAPANESE TO ASSIST INTEGRATED STEEL MILL, COPPER SMELTER, AND FERTILIZER PLANT PROJECTS. HE ALSO SOUGHT JAPANESE AGREEMENT TO WHITTLE DOWN TRADE IMBALANCE BY LARGER PURCHASES OF SUGAR AND PINEAPPLES. IMELDA AT TETE-A-TETE BEAT DRUM FOR PROPOSED FISHERIES JOINT VENTURE.

3. THOUGH DOZEN CABINET MINISTERS ACCOMPANYING MARCOS HELD MANY MEETINGS WITH APPROPRIATE GOJ OFFICIALS AND BUSINESSMEN (RUNNING FONOFF PROTOCOL DIVISION RAGGED), MAIN ACTION ON ECONOMIC FRONT WAS TWO ALL-NIGHT SESSIONS REQUIRED TO REACH ACCORD ON COMMUNIQUE. NEGOTIATORS FOR GOJ WERE TANINO AND FONOFF ASIA BUREAU COUNCILLOR SUMIO EDAMURA, AND FOR GOP, PATERNO AND MANOLO.

4. FILIPINO DRAFT OF COMMUNIQUE, PRESENTED ONLY ONE DAY BEFORE MARCOSES' ARRIVAL IN TOKYO, WAS REplete WITH NIEO-TYPE LANGUAGE ALSO CHARACTERISTIC OF EARLIER FILIPINO-PROPOSED REVISION OF BILATERAL TREATY OF AMITY AND COMMERCE. JAPANESE SAW IT AS TRANSPARENT ATTEMPT TO ERODE JAPANESE POSITIONS ON TREATY AND RESISTED
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ACCORDINGLY.

5. FILIPINOS ASKED POSITIVE JAPANESE MEASURES TO CORRECT ADVERSE TRADE BALANCE, INCLUDING ASSURED ACCESS FOR PHILIPPINE PRODUCTS, AND ALSO LONG-TERM SUPPLY ARRANGEMENTS, ESPECIALLY FOR TROPICAL PRODUCTS. JAPANESE NEGOTIATORS, AWARE THAT MINISTRIES OF AGRICULTURE AND INTERNATIONAL TRADE AND INDUSTRY ADAMANT AGAINST SUCH ARRANGEMENTS, HELD FIRMLY TO POSITION THAT GOJ CANNOT DICTATE TO PRIVATE SECTOR.

6. PHILIPINOS WANTED SPECIFIC MENTION OF EACH OF THREE BIG INDUSTRIAL PROJECTS IN COMMUNIQUE. JAPANESE STRESSED THAT WITH ONLY PRE-FEASIBILITY STUDIES COMPLETE, INDIVIDUAL MENTION PREMATURE. TANINO TOLD EMBOFF, HOWEVER, THAT FEASIBILITY STUDIES FOR US \$1 BILLION STEEL MILL, FOR COPPER SMELTER AND FERTILIZER PLANT MIGHT WELL B FINANCED BY YEN CREDIT IF PRESENTED BY GOP AS PRIORITY PROJECTS.

7. JAPANESE, FOREWARNED THAT MARCOS HAD HOPED TO CONCLUDE AMITY AND COMMERCE TREATY DURING VISIT, MADE SURE HE UNDERSTOOD PRIOR TO ARRIVAL THAT THIS WAS IMPOSSIBLE. THEREFORE, AFTER LIGHT SPARRING, COMMUNIQUE NEGOTIATORS AGREED SIMPLY TO HOLD SECOND ROUND OF TREATY NEGOTIATIONS IN TOKYO IN JUNE. TANINO SPECULATED TO EMBOFF THAT TALKS WOULD BE ARDUOUS, "LIKE YOUR BASE NEGOTIATIONS."
SHOESMITH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Drafter: n/a
Enclosure: n/a
Executive Order: GS
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